

**AVOYELLES SOCIETY FOR THE  
DEVELOPMENTALLY DISABLED, INC.**

**Marksville, Louisiana**

**Financial Report  
Year Ended June 30, 2013**

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C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Penny Angelle Scruggins, CPA  
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA,PFS,CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Cheryl L. Bartley, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Kristin B. Dauzat, CPA  
Matthew E. Margaglio, CPA  
Jane R. Hebert, CPA  
Bryan K. Joubert, CPA  
Stephen J. Anderson, CPA  
W. Jeffrey Lowry, CPA  
Brad E. Kolder, CPA, JD  
Casey L. Ardoin, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006

\* A Professional Accounting Corporation

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

183 South Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bridge St.  
Breaux Bridge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr. Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

408 West Cotton Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St.  
Marksville, LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Drive  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

P.O. Box 531  
Marksville, LA 71351

Phone (318) 253-9252  
Fax (318) 253-8681

## INDEPENDENT AUDITORS' REPORT

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

**The Board of Directors**  
**Avoyelles Society for the Developmentally Disabled, Inc.**  
**Marksville, Louisiana**

### Report on the Financial Statements

We have audited the accompanying financial statements of Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The accompanying financial statements have been prepared assuming that the Society will continue as a going concern. As discussed in Note 10 to the financial statements, the Society has suffered recurring decreases in net assets over the past four years and has experience funding cuts. These factors raise substantial doubt about the Society's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## **Other Matter**

### ***Supplemental Schedules***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 13 through 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any other assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2013, on our consideration of Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Marksville, Louisiana  
October 25, 2013

## **FINANCIAL STATEMENTS**

**AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.**  
**Marksville, LA**

**Statement of Financial Position**  
**June 30, 2013**

**ASSETS**

**Current assets:**

Cash	\$ 34,368
Accounts receivable	<u>22,217</u>
Total current assets	<u>56,585</u>

**Fixed assets:**

Land	2,000
Buildings	464,908
Furniture and fixtures	4,286
Machinery and equipment	54,329
Training equipment	13,910
Transportation equipment	39,541
Less: accumulated depreciation	<u>(314,383)</u>
Total fixed assets, net	<u>264,591</u>

Total assets	<u>\$ 321,176</u>
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**LIABILITIES AND NET ASSETS**

**Current liabilities:**

Accounts payable	\$ 12,313
Accrued expenses	9,506
Due to others	797
Notes payable - current portion	<u>5,997</u>
Total current liabilities	<u>28,613</u>

**Long term liabilities:**

Notes payable	<u>105,218</u>
Total liabilities	<u>133,831</u>

**Net assets:**

Unrestricted	<u>187,345</u>
Total liabilities and net assets	<u>\$ 321,176</u>

The accompanying notes are an integral part of the basic financial statements.

**AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.**  
**Marksville, LA**

**Statement of Activities**  
**For the Year Ended June 30, 2013**

Revenues, gains and other support:	
Contributions and donations	\$ 10,103
Interest earned	24
Client service	50,044
Grants	330,605
Private pay	5,866
Miscellaneous revenue	<u>25,151</u>
Total	<u>421,793</u>
Expenses and losses:	
Program services:	
Adult day services	358,986
Client service activities	<u>70,926</u>
Total	<u>429,912</u>
Change in net assets	(8,119)
Net assets, beginning of year	<u>195,464</u>
Net assets, end of year	<u>\$ 187,345</u>

The accompanying notes are an integral part of the basic financial statements.

**AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.**  
**Marksville, LA**

**Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (8,119)
Adjustments to reconcile change in net assets to net cash provided by operations -	
Depreciation	22,528
Increase in accounts receivables	5,403
Increase in accounts payable	310
Decrease in accrued expenses	<u>(13)</u>
 Net cash provided by operating activities	 <u>20,109</u>
 <b>Cash flows from financing activities:</b>	
Payments on note payable	<u>(6,233)</u>
 Net increase in cash	 13,876
 Cash, beginning of year	 <u>20,492</u>
 Cash, end of year	 <u>34,368</u>
 <b>Supplemental disclosure:</b>	
Interest paid	<u>\$ 5,711</u>

The accompanying notes are an integral part of the basic financial statements.



AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

A. Nature of Organization and Operations

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health and Hospitals Title XX Day Developmental training services.

B. Income Taxes

The Avoyelles Society for the Developmentally Disabled, Inc. is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986. It is also exempt from Louisiana income tax.

C. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, except that membership contributions and donations are included in revenues in the period received.

D. Donated Services

The Society received donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

E. Public Support and Revenue

Avoyelles Society for the Developmentally Disabled, Inc. receives funding primarily from Medicaid.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Donated professional time is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of donation.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified

# AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

## Notes to Financial Statements (Continued)

to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Avoyelles Society for the Developmentally Disabled, Inc. had no temporarily or permanently restricted net assets as of June 30, 2013 arising from contributions.

### F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

### G. Fixed Assets

Fixed assets are recorded at historical cost. It is the Avoyelles Society for the Developmentally Disabled, Inc.'s policy to capitalize all fixed assets. Fixed assets are being depreciated over their estimated useful lives using the straight-line method. The range of estimated useful lives is as follows:

Buildings and improvements	30 years
Furniture and fixtures	3-5 years
Machinery and equipment	5-8 years
Training equipment	5-8 years
Transportation equipment	4 years

### (2) Cash

At June 30, 2013, the Organization had cash and interest-bearing deposits (book balances) totaling \$34,368. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2013 totaled \$41,623 which were fully insured.

### (3) Accounts Receivable and Allowance for Doubtful Accounts

At June 30, 2013, accounts receivable in the amount of \$22,217 are from the Medical Assistance Program – MR/DD Waiver Services. The organization considers this receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

Notes to Financial Statements (Continued)

(4) Grants

The Society participated in the following grants for the years ended June 30, 2013:

Grants:

Federal / State Grant - Medical Assistance Program	
MR/DD Waiver Services	\$ 302,416
EDS	10,898
United Way	11,650
Entergy	1,000
Rotary Club	2,227
Roy O. Martin	1,000
CFC	1,414
Total	<u>\$ 330,605</u>

(5) Fixed Assets

A summary of fixed assets as of June 30, 2013 is as follows:

	<u>06/30/13</u>
Land	\$ 2,000
Buildings and improvements	464,908
Furniture and fixtures	4,286
Machinery and equipment	54,329
Training equipment	13,910
Transportation equipment	<u>39,541</u>
Totals	<u>578,974</u>
Less accumulated depreciation	<u>(314,383)</u>
Fixed assets, net	<u>\$ 264,591</u>

Depreciation expense for the year ended June 30, 2013 was \$22,528.

# AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

## Notes to Financial Statements (Continued)

### (6) Long-Term Liabilities

On November 18, 2011, the Society entered into a loan with The Cottonport Bank in the amount of \$120,000. The note is payable in monthly installments of \$952, with an interest rate of 5.0 percent and a maturity date of 2026. The note is secured by the land and building and has principal outstanding of \$111,215 at June 30, 2013. Future debt service requirements are:

Year Ending June 30,	Principal	Interest Interest	Total
2014	\$ 5,997	\$ 5,425	\$ 11,422
2015	6,304	5,118	11,422
2016	6,627	4,754	11,381
2017	6,966	4,456	11,422
2018	7,322	4,100	11,422
2019-2023	42,628	14,481	57,109
2024-2026	35,371	3,139	38,510
Totals	<u>\$ 111,215</u>	<u>\$ 41,473</u>	<u>\$ 152,688</u>

### (7) Line of Credit

On June 22, 2012, the Society was approved for a line of credit in the amount of \$50,000 with The Cottonport Bank. There were no funds drawn on the line of credit as of June 30, 2013.

### (8) Deferred Annuity Contract

The Society established a tax-deferred annuity arrangement, effective January 1, 2011, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may elect a salary reduction up to the maximum allowable annual amount as established by Section 402(g) of the Internal Revenue Code. No employer (Society) contributions are made to the plan.

### (9) Subsequent Event Review

Subsequent events were evaluated through October 25, 2013, the date which the financial statements were available to be issued.

### (10) Going Concern

They Society incurred decreases of \$8,119, \$61,454 and \$50,267 in net assets during the years ended June 30, 2013, June 30, 2012 and June 30, 2011, respectively.

**AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.**

**Notes to Financial Statements (Continued)**

Over the past four years, the primary funding source of the Society (Medical Assistance Program MR/DD Waiver Services) has been the subject of governmental funding cuts. These funding cuts coupled with rising operating costs have forced the society to operate at a deficit for the past four years.

The administration restructured the current debt in the year ended June 30, 2012 to assist with the cash flow needs. They have also put into place cost saving measures, including pay cuts, flexible scheduling, and other cost controlling measures for related expenses. In addition, they have held more fundraisers to bring in additional revenues. The administration is continuing to closely monitor the financial status of the Society to attempt to overcome this uncertain financial situation.

## **SUPPLEMENTAL SCHEDULES**

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.  
Marksville, LA

Detailed Statement of Activities  
For the Year Ended June 30, 2013

Revenues, gains and other support:

Grants	
Medicaid	\$ 302,416
Corporate	16,539
United Way	<u>11,650</u>
Total grants	330,605
 Client service	 50,044
Private pay	5,866
Contributions / donations	10,103
Interest earned	24
Miscellaneous revenue	<u>25,151</u>
Total	<u>421,793</u>

Expenses:

Advertising	944
Bank charges and fees	156
Depreciation expense	22,528
Dues and subscriptions	1,086
Employee travel	1,333
Insurance	44,372
Interest expense	5,711
Licenses and permits	810
Maintenance and repairs	14,524
Miscellaneous expense	25,271
Office supplies	6,852
Payroll taxes	19,944
Salaries	209,542
Supplies - client service & training	25,781
Supplies - general	4,619
Telephone	4,177
Transportation	29,086
Utilities	<u>13,176</u>
Total expenses	<u>429,912</u>

Change in net assets	(8,119)
Net assets, beginning of year	<u>195,464</u>
Net assets, end of year	<u><u>\$ 187,345</u></u>

**AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC**  
**Marksville, LA**

**List of Board Members**  
**For the Year Ended June 30, 2013**

<b>Board Member</b>	<b>Address</b>
<b>Jocelyn Meaux President</b>	<b>P.O. Box 186 Cottonport, LA 71327</b>
<b>Troy Guilbeaux President (Previous President)</b>	<b>P.O. Box 521 Marksville, LA 71351</b>
<b>Frank Havard Vice President</b>	<b>P.O. Box 385 Marksville, LA 71351</b>
<b>Darla Borden Secretary / Treasurer</b>	<b>P.O. Box 445 Mansura, LA 71350</b>
<b>Lionel Bordelon Board Member</b>	<b>234 Tassin St. Moreauville, LA 71355</b>
<b>Allison Augustine Board Member</b>	<b>151 Laura's Lane Marksville, LA 71351</b>
<b>Arlene Leviege Board Member</b>	<b>P.O. Box 834 Marksville, LA 71351</b>
<b>Oscar Goody Board Member</b>	<b>P.O. Box 271 Moreauville, LA 71355</b>
<b>Rene Borrel Board Member</b>	<b>P.O. Box 897 Marksville, LA 71351</b>
<b>Van Roy Board Member</b>	<b>P.O. Box 501 Marksville, LA 71351</b>
<b>Patrick Bordelon Board Member</b>	<b>143 Fins &amp; Feathers Marksville, LA 71351</b>
<b>General Sherian Cadoria Board Member (Previous Member)</b>	<b>107 Lancelot Dr. Mansura, LA 71350</b>
<b>Michael Robertson Board Member (Previous Member)</b>	<b>P.O. Box 630 Bunkie, LA 71322</b>
<b>Reverend Gary Jones Board Member (Previous Member)</b>	<b>270 Sayes Road Deville, LA 71328</b>
<b>Joel Juneau Board Member (Previous Member)</b>	<b>1671 Horseshoe Dr. Cottonport, LA 71327</b>

**There are no expiration dates on board members' terms.**



**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Marksville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report, thereon date October 25, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Avoyelles Society for the Developmentally Disabled, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Avoyelles Society for the Developmentally Disabled, Inc.'s internal control. A significant deficiency is less severe than a material weakness yet important enough to merit attention by those charged with governance.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organizations internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Marksville, Louisiana  
October 25, 2013

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
June 30, 2013

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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CURRENT YEAR (6/30/13) --

Internal Control:

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance:

There were no instances of compliance that were required to be reported.

PRIOR YEAR (6/30/12) --

Internal Control:

There were no deficiencies in internal control over financial reporting.

Compliance:

There were no instances of compliance that were required to be reported.